

November – December  
1999



WASHINGTON STATE  
GAMBLING COMMISSION

# Focus n Gambling

## CHANGES TO THE COMMISSION

There have been two recent changes to the make-up of the Commission.

State Representative Karen Schmidt has resigned her position in the Legislature to accept employment as the Executive Director with the Freight Mobility Strategic Investment Board. Representative Jim Clements will replace her in this position on the Gambling Commission.

Additionally, Commissioner Pat Herbold submitted a letter of

resignation to be effective January 1, 2000. Her last meeting was the November/December Commission meeting, when she was presented with a plaque for her service. This creates a second Commissioner vacancy along with the unfilled position when Commissioner Heavey's term expired in June.

It is hoped Governor Locke will be filling the two Commission positions in the near future. ♣

## SEND US YOUR E-MAIL ADDRESSES

The newsletter staff is looking for ways to streamline delivery of the newsletters. We are hoping to increase the speed of delivery while decreasing the cost of printing and mailing out over 9,000 copies of our bi-monthly newsletter.

To do this, we will need the cooperation of our licensees and those on our supplemental mailing

list (basically, all of you who are presently receiving the newsletter).

If you are interested in participation, please submit an e-mail address to our agency. This information will be included with your license file information.

Then, once we have collected a sufficient data base, we will notify

*(Continued on page 2)*

### Commissioners:

**Curtis Ludwig, Chair**  
**Judge Marshall Forrest (Ret.), Vice Chair**  
**Liz McLaughlin**

### Ex-Officio Members:

**Senator Margarita Prentice**  
**Senator Shirley Winsley**  
**Representative Alex Wood**  
**Representative Jim Clements**

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**Administration:**

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Executive Asst. Shirley Corbett

**Human Resources:**

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**Policy & Government Affairs:**

Deputy Director Ed Fleisher

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Bob Sherwood

*Communications & Legal Department  
and Financial Reporting Services:*

Amy Patjens

*Electronic Gambling Laboratory:*

Dallas Burnett

*Information Services:*

Tom Means

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**Field Operations:**

Assistant Director Cally Cass-Healy

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*Licensing Services:*

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**Program Managers:**

*Financial Investigations Unit:*

Monty Harmon

*Intelligence Unit:*

Neal Nunamaker

*Special Investigations:*

Paul Swartz

*Tribal Gaming Unit:*

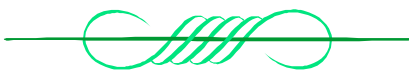
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you electronically when the newsletter is posted on our web site and available for downloading.

Those not receiving the message via e-mail should receive their copy of the newsletter approximately two weeks after it has been placed on the web site.

We want to emphasize that this alternative method of delivery is purely voluntary. If you wish to continue to receive the newsletter through the postal system, or if you do not supply an e-mail address, your method of delivery will not change. In the future, we may also use the e-mail address to contact you regarding other Gambling Commission announcements. Please check the site [www.wsgc.wa.gov](http://www.wsgc.wa.gov) to find the template and enter all the requested information.

If you do not have a gambling license number because you are on our supplemental list, please denote "supplemental list" so we can update the correct list. ♣

## NEWS ABOUT OUR WEB SITE

We have moved our web site. The Gambling Commission is now using a different server than we used previously, so our address is also changed. The new address will be: [www.wsgc.wa.gov](http://www.wsgc.wa.gov). If you continue to use the previous address, there will be a notice posted at the old site advising you of the change.

If you take a few moments to visit our new site, you will see a new look to our front page. We have consolidated the number of selections from 18 down to 9 and arranged all related content within each selection button. We have expanded the web links to include gambling regulatory agencies from other states. We also hope to provide a link to the code reviser's office to allow better access to the rules. We will explain that process more fully in future newsletters.

Staff is also working on placing some of the mandatory training classes on the web site. There will also be more information about that process in the January/February newsletter. ♣

## UPDATE ON LEGISLATIVE ROUND TABLE

By Melinda Froud, Tribal Coordinator and Staff Attorney

On November 16, 1999, the Legislative Round Table on Gambling Policy held its final hearing in Everett to discuss issues related to tribal gaming and the horse racing industry. The Round Table heard from both Tribal representatives, as well as local government officials, regarding economic growth and positive relationships resulting from the tribal casinos. On the topic of horse racing, the Round Table heard an overview of the preliminary report from the Joint Legislative Audit and Review Committee regarding legislative actions enacted to assist the industry.

The meeting began with a presentation on tribal gaming, made by Ed Fleisher, Deputy Director of the Gambling Commission, and Bob Berg, Assistant Director of Special Operations at the Gambling Commission. The presentation included a brief history of the state's gaming compacts, the compact approval process, and a discussion of terms contained in the compacts. The presentation also classified each Tribe according to its compact and/or gaming status. Additionally, the presentation outlined the casino licensing process, and included information regarding casino regulation by both the Tribe and the state. The presentation concluded with an overview of the Tribal Lottery System, which allows approved Tribal casinos to operate electronic scratch ticket machines.

Following the tribal gaming overview, the Round Table heard from several panels comprised of representatives from Tribes involved in gaming activities. The Puyallup

Tribal panel provided information regarding the average salary and benefits they are able to offer casino employees. Tribal representatives commented that as a result of the cash flow from the casino, the Tribe is able to enjoy better law enforcement, improved health care, and provide higher education opportunities for Tribal members. The Tribe also reported that it will pay local governmental entities an amount in excess of \$300,000 this year as part of its 2% contribution for impacts to local communities.

Similarly, the Tulalip Tribal panel reported that the casino creates jobs with benefits. Proceeds from the casino are used to fund other programs, such as an assisted living unit for elders. The proceeds also help promote education.

The Colville Tribal panel explained that it gives funds to charities as part of a contribution to the community. The panel explained that unlike the other Tribes, they have three smaller casinos, not just one big one. They are trying to find a "common denominator" with the compacts. The panel stated that the Tribe is fairly isolated from other towns and businesses, and they are trying to create a little economy on the Tribal lands.

The Muckleshoot Tribal panel discussed the impacts on local government. The panel explained that the impacts shown are less than the 2% community contribution amounts they set aside, and that the funds are not fully utilized.

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The Jamestown and Swinomish Tribal panels gave similar reports. The Jamestown panel indicated that the Tribe would have a bleak future without the Tribal Lottery System machines. The panels indicated that both Tribes have found that the machines bring in revenue without high labor overheads. The Jamestown panel indicated that the Tribe might want to contract out for certain local services. Like the other panels reporting before them, the Jamestown Tribe also contributes to local charities.

After the Tribal panels, the Round Table heard from a panel comprised of local government officials from Marysville and the Snohomish County area regarding their interaction with the Tulalip Tribe. This panel reported a good working relationship with the Tribe, and found that much of the Tribe's revenues from the casino go back into the local community. The panel commented that school children benefit from having parents with consistent employment; the parties are also working together toward creating alternate schools.

The panel described their relationship with the Tribes as excellent, commenting that a monthly breakfast has helped to forge and strengthen personal relationships between the two groups. The panel also reported that law enforcement officers have commented on the good casino staff at the reservation. With regards to how Snohomish County uses the 2% funds received from the Tribe, the panel indicated that the money all goes either to the Sheriff's Office or into the General Fund.

Finally, the Joint Legislative Audit and Review Committee (JLARC) gave a review of its preliminary report regarding the impact of the legislation enacted in 1997 and 1998 to assist the horse racing industry. ESSB 5762, enacted in 1997, changed state law regarding

simulcasting of horse racing at racetracks. ESSB 6562, enacted in 1998, amended Pari-mutuel Tax provisions and temporarily reduced this tax by approximately 50 percent. It also terminated any tax distributions to the Fair Fund and State Trade Fair Fund and included a 2001 sunset termination of this tax change. In summary, JLARC found that the primary result of these actions has been to assist Emerald Downs Racetrack, the only racetrack in the state, reduce the magnitude of its financial losses. Other measures of the horse racing industry show mixed improvement. As a result, the Committee recommended that the 1998 legislative reduction in the Pari-mutuel Tax be continued.

The Round Table also heard discussions regarding other ways to help the state's horse racing industry remain viable. Other states, for example, take full advantage of simulcasting, and subsidize racetracks using funds generated from lotteries or gambling on steamboats. Other suggestions concerned the use of funds used for trade fairs, especially since many of these fairs operate in a for-profit capacity.

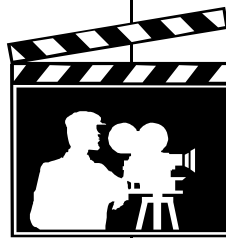
A final report regarding the Legislative Round Table on Gambling Policy will be issued. Anyone with questions about this report, or other aspects of the Legislative Round Table, should contact Catherine Mele (360) 786-7470 or Pam Madson (360) 786-7166. ♣

## COMMISSION VIDEO WINS ANOTHER AWARD

The Gambling Commission was recently notified that it has won an award for the newest version of *Punchboard and Pull Tabs: What Employees Need to Know*. The International Television Association of Seattle notified the Department of Information Services/Interactive Technologies that the video was the winner of the Emerald City Gold Award in the Training category.

The Emerald City Awards is an annual contest for judging video professionals in Washington, Oregon, Alaska, Idaho and Montana. This year was another record year for entries. With all the creative talent in the Northwest, it is tough to even become a finalist in the competition, let alone win a gold award. Only the top two videos in each category win the gold or silver award.

This is the second award the agency has received in the past year. *The Case of the Misplaced Trust* won a 1999 Videographer Award of Excellence out of a field of 2,333 national and international entries. That video



addresses issues of prohibited and/or illegal gambling activities.

The Gambling Commission contracted with the Interactive Technologies division of the Department of Information Services for both award-winning videos.

The most recent pull tab video is an update to a 1990 version. The purpose of the video is to assist owners and managers in training new employees on the procedures for selling pull tabs and chances on punchboards. This video is sent to all new punchboard/pull tab licensees with their original license as part of the agency voluntary compliance efforts. Additional copies of the video may be obtained from Lacey by calling (800) 345-2529, extension 300. ♣

## ATTENTION PUBLIC CARD ROOM OPERATORS

By Artis Collins, Program Manager Licensing Services

We have found that an increasing number of card room operators are allowing card room employees to work without:

- submitting an application with the appropriate fees; and/or,
- Prior to waiting the 20 day mandatory waiting period before performing any duties as a card room employee.

WAC 230-04-140 (4) specifically states in part, "that an operator of public card room shall not employ any unlicensed person to perform duties for which a license is required in or in connection with a public card room, and shall take all measures necessary to prevent an unlicensed person from doing so." RCW 9.46.198 additionally states that any person who works as an employee for another person in

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connection with the operation of an activity for which a license is required shall be guilty of a gross misdemeanor and can be punished by a year in jail or a fine up to \$5000.

In addition to the above charges, your card room could be charged with the following offenses in instances where an unlicensed employee is allowed to work:

- RCW 9.46.180, Causing person to violate chapter (class B felony); or
- RCW 9.46.185, Causing person to violate rule or regulation (gross misdemeanor).

In order to address this problem, we will start taking a Zero Tolerance approach toward card room operators who allow unlicensed employees to work.

**PLEASE NOTE THAT IF YOU ARE PARTICIPATING IN THE CARD ROOM ENHANCEMENT PROGRAM TEST AND ARE ALLOWING UNLICENSED PEOPLE TO WORK, THIS COULD ALSO BE GROUNDS FOR IMMEDIATE REMOVAL FROM THE PROGRAM.**

Remember that even though you may have employed someone to manage your employment records, it is the responsibility of the owner(s) to ensure that all of their employees are licensed. Therefore, you are encouraged to review your employment records to ensure all people performing the duties of a card room employee are properly licensed.

WAC 230-02-415 describes a public card room employee as anyone who is involved in the operation of social card games conducted by a card room when such games involve the collection of fees. WAC 230-02-425 further describes the category of "key employee."

Persons performing at least the following functions are designated as card room employees and must be licensed:

1. Collecting fees;
2. Dealing;

3. Supervising any card game or card room employee, such as acting as a pit boss, floor person, section supervisor, etc.;
4. Cashier duties such as selling or redeeming chips;
5. Surveillance of dealers and card games to detect cheating or control functions;
6. Controlling card room functions including keys to secure locations;
7. Managing the day-to-day affairs of a Class E or Class A card room;
8. Conducting any duty that is a material part of the system of internal management or accounting controls for a card room approved to conduct house or player funded banked card games; or
9. Acting as a custodian of a player supported jackpot scheme.

The definition does not include bartenders, waitresses, or persons with similar duties who are limited to the serving of food or drink in the card room.

In addition, remember that according to WAC 230-04-142, *it is your responsibility as a card room operator to notify the Commission upon beginning, terminating, or changing employment of a card room employee.* Notification must be made in writing immediately and be received by the Olympia office not later than 5:00 p.m. on the 10th day following the employee's first day of work or last day of work, as applicable.

If you have any questions regarding this situation, please contact Dawn Warren, Individual/Class III/Special Actions Section, at (800) 345-2529, extension 341. If you need a card room employee application, please contact Licensing Services at (800) 345-2529, extension 300. ♣

## **Washington State Gambling Commission**

### **2000 COMMISSION MEETING SCHEDULE**

**January 13 & 14**

**Heathman Lodge**

7801 NE Greenwood Drive  
Vancouver, WA 98662 – (360) 254-3100

**February 10 & 11**

**Howard Johnson/Everett Pacific Hotel**

3105 Pine Street  
Everett, WA 98201 – (425) 339-3333

**March 9 & 10**

**The Inn at Semiahmoo**

9565 Semiahmoo Parkway  
Blaine, WA 98230-9326 – (360) 371-2000

**April 13 & 14**

**Pasco Double Tree Hotel**

252 North 20th Ave  
Pasco, WA 99301 – (509) 547-0701

**May 11 & 12**

**LaConner Country Inn**

107 S. Second Street  
LaConner, WA 98257- (360) 466-3101

**June 8 & 9**

**Cavanaugh's Inn at Park**

303 W. North River Drive  
Spokane, WA 99202 – (509) 326-8000

**July 13 & 14**

**WestCoast Bellevue Hotel**

625 – 116th Avenue N.E.  
Bellevue, WA 98004 – (425) 455-9444

**August 10 & 11**

**The Inn at Gig Harbor**

3211 56th St NW  
Gig Harbor, WA 98335 – (253) 858-1111

**September 14 & 15**

**WestCoast Wenatchee Center Hotel**

201 North Wenatchee Avenue  
Wenatchee, WA 98801 – (509) 662-1234

**October 12 & 13**

**WestCoast Silverdale Hotel**

3073 NW Bucklin Hill Road  
Silverdale, WA 98383 – (360) 698-1000

**November 16 & 17**

**Shilo Inn**

707 Ocean Shores Blvd. NW  
Ocean Shores, WA 98569 – (360) 289-4600

*No meeting in December, 2000.*

## TIME TO REVIEW YOUR CREDIT POLICIES

During the October meeting of the Legislative Round Table, there was much discussion from recovering problem gamblers regarding the issue of how problem gamblers obtain money and how this relates to our credit rules. Several of the individuals who testified to the assembled legislators stated that people dealing with gambling addictions often work very hard to circumvent the rules and regulations that have been put in place to deny credit to gamblers, but some businesses make it easier than others.

In order to ensure that your business is not violating any of the credit rules, and to support your own in-house policies on problem gambling, have your managers and staff review WAC 230-12-050 *No Credit Allowed* and WAC 230-12-053 *Acceptance of Checks* and compare it with your present policies.

Here are some examples of the types of transactions that will constitute credit:

- ♠ Receiving any gambling purchase (such as chips or pull tabs) without paying for them in advance (Exceptions: A nonprofit organization may use a Commission approved billing system for bona fide members; consideration for PB/PT purchases may be paid after play is completed **ONLY** when such consideration is \$10 or less)
- ♠ Accepting third party checks drawn on an individual's personal account (i.e. Mary Smith endorses a check made out to her from Sam Jones and uses the

Jones check to purchase chips from the card room)

- ♠ Accepting licensee-provided counter checks for use by the customer which are not negotiable by a bank
- ♠ Allowing a person who has been placed on the "bad check" or NSF list to write additional checks without making the "bad checks" good first. **NOTE:** Commission staff may also view a pattern of allowing a person to pass bad checks and pay for the check later as credit.

*Examples specific to card rooms:*

- ♠ Holding a check for more than two banking days before depositing it
- ♠ Allowing a customer to post-date a check or change the date or information contained on the check. (Per WAC 230-40-070, each receipt of an amount of chips must be considered a separate transaction, and a separate check written for each transaction.)
- ♠ Allowing a card room employee to take a draw on their salary in order to play cards (the licensee is in effect making a loan to the employee in order for the employee to participate in the gambling activity because it is a draw on future earnings). ♣





## BOWLING LEAGUE RAFFLES

There has been some confusion created by a recent contact between Gambling Commission staff and a member of a bowling league. The league member was selling raffle tickets for a 50/50 raffle (the prize is 50% of the gross receipts) being conducted during league play that evening. Upon staff contact, the individual indicated that the league was not a nonprofit organization. Based on that comment, the Commission staff member advised of the state law restricting raffles to only charitable or nonprofit organizations. The bowling center also sent out a memo to other centers advising that raffles could only be conducted by nonprofit organizations. This led to calls to the Commission requesting clarification.

Subsequent conversations with league representatives has resulted in clarification of the status of bowling leagues as nonprofit organizations. Based on conversations with state bowling officers, we have been advised that all leagues report to a local association. While the leagues themselves are not nonprofit organizations, the local association can qualify as a nonprofit. **Therefore, the leagues are eligible to conduct raffles as members of the local association as long as the local association qualifies as a nonprofit. This also means that the local association is responsible for operation of the raffles and appropriate use of proceeds.**

Please review the following to ensure your local bowling association qualifies as a nonprofit organization, as some associations may differ:

- *There must be at least 15 members who elect the governing board of the organization.*
- *The organization must have been in existence for at least 12 months prior to conducting a gambling activity.*
- *The organization must have been organized for one or more of the following purposes: agricultural, educational, political, athletic, charitable,*

*fraternal, social, benevolent, civic, or patriotic. If your organization has been granted an IRS letter and/or any contributions to your organization are considered tax deductible, it will be presumed that you qualify.*

- *Revenue raised must go towards the organization's goals and purposes as set forth in its bylaws, not to individuals.*

Assuming the local association qualifies as a nonprofit, the leagues within the association may conduct raffles under the oversight of the local. The raffle options available to leagues are:

### 1. Unlicensed, Members-only Raffles

RCW 9.46.0315 authorizes bona fide charitable or nonprofit organizations to conduct an unlimited number of raffles among members of the organization without obtaining a license as long as certain conditions are met. Those conditions are:

- The total gross receipts for all raffles over the course of a calendar year cannot exceed \$5,000. "Gross receipts" represents the value of all tickets sold, without accounting for prizes or other expenses of the raffle.
- Cost of individual raffle tickets may not exceed \$25.
- All proceeds after prizes must go to the organization's stated goals and purposes.
- The organization must maintain records indicating the total gross receipts, details of the expenses of the activity including prizes, and details of how the net receipts were spent to accomplish the nonprofit purpose.
- Tickets may only be sold to bona fide members of the organization, not to the general public. Only bona fide members may sell tickets.

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**Additional information related to members-only unlicensed raffles:**

- Organizations conducting 50/50 raffles must post a minimum prize when selling tickets.
- No firearms may be offered as a prize in an unlicensed raffle.
- Alcohol may be offered as a prize only if the proper permit has been obtained from the state Liquor Board.
- Tickets must be pre-printed with sequential numbers. If all tickets are not sold sequentially, unsold tickets with numbers below the highest ticket number sold must be accounted for. Rules and prizes available must be posted for participants.
- Tickets may not be discounted for multiple sales (i.e. 3/\$1 is okay, but not offering tickets at 50 cents each or 3/\$1).

**2. Unlicensed Public Raffles**

Assuming that the local association qualifies as a charitable/nonprofit organization as set forth above, it is also eligible to conduct two raffles per calendar year and sell tickets to the general public. (RCW 9.46.0321) Total gross receipts for both public raffles within a calendar year may not exceed \$5,000 and the rest of the restrictions listed above also apply, except that liquor may only be awarded during a members-only raffle, not a public raffle. **Since the local association is the nonprofit, that means that public raffles are limited to two per association, not two per league.**

**3. Licensed Raffles**

If the local association wishes to exceed the \$5,000 limit for either public or member-only raffles in a calendar year, offer more than two public raffles, use an alternative method of determining a winner (i.e. duck races, etc.), offer discounted tickets or award a firearm as a prize, it must obtain a gambling license from the Gambling Commission. Applications for these licenses may be downloaded from the agency web site ([www.wsgc.wa.gov](http://www.wsgc.wa.gov)).

**4. Bowling Sweepstakes**

RCW 9.46.0345 specifically spells out this alternative, but it is to be administered by the bowling center, not the league. The law authorizes the "bowling establishment" to conduct this activity as a commercial stimulant without obtaining a permit or license to do so. The bowling sweepstakes contains the following elements:

- The bowling establishment sells tickets to the bowlers based on a pre-determined and posted amount of money, not to exceed \$1 per ticket.
- A drawing is conducted from among the tickets sold and the winner of the drawing has the opportunity to bowl a strike.
- If successful, the winner receives the pre-determined and posted prize money.
- Whatever money is not returned as a prize to the participant must be given to a recognized charity.
- The bowling center must retain records and make them available for inspection during their business hours.

If your league or local bowling association has any questions about these activities, it should contact the Gambling Commission at (800) 345-2529 and ask to be connected to the closest field office. ♣

## GET TO KNOW THE COMMISSION STAFF

*This article explaining the qualification and training program for Gambling Commission Licensing Technicians is the second article to outline the ways in which our staff train for and perform their duties. If there is a part of the Gambling Commission you would like to learn about, contact Communications Coordinator/Newsletter Editor, Cindy Reed, in the Lacey office.*

### Licensing Technician In Training Program

*By Collene Kiefer, Supervisor/Licensing Services*

The Gambling License Technician in Training Program was created in 1996. At this time, there have been two Technicians who have completed the 2,080 hour training program. It is a comprehensive program including training in every aspect of the licensing process. Some topics addressed are:

- ◆ Types of business structures;
- ◆ The card room enhancement certification program;
- ◆ Tribal gaming certification/compacts;
- ◆ Qualifications for consideration as a charitable or nonprofit organization; and,
- ◆ Conducting police checks using the Washington State Patrol background verification check system. (WASIC)

The License Technician in Training must be able to understand the review and evaluation process for license files proficiently during every step of the license application process. In addition, the Technicians in Training are required to understand the complex gambling rules and statutes regarding all licensing issues.

There are three separate agency sections utilizing Gambling License Technicians to process gambling applications. The training program requires knowledge in all three sections.

The Technician in Training will spend time in the

Evaluation and Processing Unit to learn more about the differences in processing commercial (profit) and nonprofit/charitable organizations for licensing. Training for the processing of individual licensing applications, tribal certifications and tribal financier/management applications is done in the Class III/Individual/Special Actions Unit. The third section for training is the Communications Center. In this learning module, they will receive instructions for running background police checks. Training is a hands-on process, and Technicians in Training are tested to ensure they can perform every aspect of each particular section job responsibilities.

After successful completion of the training program, the staff member receives the title of Gambling License Technician and receives a certificate of completion. There are a total of 16 Gambling License Technician positions. Currently six new staff members are progressing through the training curriculum.

We would like to congratulate Technicians Mei Lee and Brenda North for their successful completion of the program. ♣





## WASHINGTON STATE GAMBLING COMMISSION ADMINISTRATIVE ACTIONS



LICENSEE	VIOLATION	CASE OUTCOME
Tarl R. Medina Paradise Bowling Center/Tacoma	Criminal history	Application for card room employee denied
Hoang Nguyen Non Stop Bar and Grill & Pete's Flying Aces/Tukwila Wizards Restaurant/ Burien	Involved in operation of unauthorized blackjack games	Prior to administrative hearing, the license lapsed. Hold placed on file if person re-applies
Marjean McDonald Gambling Manager Fleet Reserve #97 Oak Harbor	Failure to deposit or safeguard pull tab net gambling receipts	License has lapsed. Case is closed and hold put on file if person re- applies
FOE #03523 Burien	Failure to maintain an independent management control system	Licensee to serve 15 days suspension with 15 deferred, set up proper independent management system, and pay for follow-up inspection in six months.
Oxford Saloon Snohomish	Operating unauthorized blackjack games	Revocation of all licenses upheld by Administrative Law Judge
Sage Tavern Spokane	Operating unauthorized blackjack games	Agreed Order entered for revocation of all gambling licenses
Shamrock Tavern Longview	Bookmaking activity took place within premises	Agreed Order entered for revocation of all gambling licenses
Yakima Valley O.I.C. Yakima	Failed to meet its net return requirements for fiscal year ending October 1998	Agreed Order entered limiting the licensee to a class J license during the fiscal year beginning July 1, 1999

### Mission Statement

**The Gambling Commission regulates and controls gambling activities within the state of Washington and, in partnership with other law enforcement agencies, restrains criminal activities associated with unlawful gambling.**

## RULE CHANGES

The following rules were passed at the November/December meeting and will become effective January 1, 2000, except for the fee increase rules, which are effective December 31, 1999.

### Promotional Contests of Chance

#### **WAC 230-46-045**

##### **Conduct of lotteries similar to bingo as a promotional activity – “No Fee Bingo.”**

In November 1996 we received requests from commercial licensees to conduct what is commonly referred to in other states as “no fee bingo” or “bar bingo.” At that time, staff reviewed this and felt that it could be conducted as a promotional contest of chance if certain restrictions were followed, such as not charging an entry fee, awarding non-cash nominal prizes, and getting an “approval letter” from commission staff. Originally, most businesses only conducted these activities a few times a week.

In March 1999 we began getting more requests from businesses who wanted to offer “no fee bingo” up to seven times a week. These rules allow “no fee bingo” to occur as a promotional contest of chance. Although an “approval letter” from staff is no longer required, certain conditions must be met, so that this will be a limited activity. Two versions of this rules package were considered by the Commission.

According to the version that passed, entry fees are not allowed, the prizes are limited to merchandise not worth more than twenty-five dollars, with a weekly accumulated limit of one hundred dollars, and yearly accumulated limit of five thousand dollars. Operators are required to record the names of winners and prize(s) won for each game. The games are limited to no more than a total of three hours per day, twice per week. Operators are required to distribute bingo cards immediately prior to the start of

each game.

#### **WAC 230-20-192**

##### **Standards for disposable bingo cards – Definitions.**

This rule was amended to allow licensed distributors to sell disposable bingo cards to commercial businesses for promotional contests of chance.

*NOTE: The other rules regarding promotional activities were not passed based in part on testimony during the meeting indicating legislation will be proposed in the next session to revise RCW 9.46.0355.*

### Age Limit to Participate in Gambling Activities

#### **WAC 230-12-027**

##### **Age limit to participate in gambling activities.**

A new rule was written to clearly set forth the age restrictions and exceptions for a minor to participate in gambling activities.

Language was added to require bingo advertisements, which are directed at minors, to include the requirement within the advertisement that a minor must be accompanied by their parent or guardian at bingo games.

#### **WAC 230-12-030**

##### **No beer or liquor as prizes.**

This rule sets forth the restrictions for offering liquor as a gambling prize. Furthermore, it states that persons under the age of eighteen may not participate in gambling activities that take place where liquor is offered. Language referring to age restrictions has been removed and incorporated into a new rule (WAC 230-12-

*(Continued on page 14)*

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027 above).

Language was added to clarify that the Liquor Control Board does not allow liquor to be given away, which includes giving liquor away as a prize for gambling activities.

**WAC 230-20-210**  
**Age limit for bingo.**

This rule addresses the age restrictions for a person to participate in bingo games. This rule is no longer needed, as all age restrictions are now addressed in one rule (See WAC 230-12-027 above).

**Increase in Licensing Fees**

After reviewing the agency's budget, staff has determined that a fee increase of approximately 3.32% is needed to cover budget requirements. At the October meeting, the Commission authorized the following rules to be filed. At the November/December meeting, the rules were passed and will become effective December 31, 1999.

**WAC 230-04-202**  
**Fees – Bona fide charitable/nonprofit organizations.**

**WAC 230-04-203**  
**Fees – Commercial stimulant and other business organizations.**

**WAC 230-04-204**  
**Fees – Individuals.**

**WAC 230-04-133**  
**Punch board and pull-tab service business – Registration required – Procedures – Restrictions.**

**WAC 230-04-206**  
**Fees – Linked bingo prize providers and linked bingo prize provider representatives.**

These rule changes increase the licensing fees that bona fide charitable/nonprofit organizations, commercial stimulant, and individuals must submit to the commission when applying for

gambling licenses.

WAC 230-04-203 was amended to include the licensing fees for enhanced card rooms. Furthermore, the licensing fees for gambling service suppliers (WAC 230-04-119) and linked bingo prize providers and their representatives (WAC 230-04-206) have been moved to this rule; now all commercial stimulant fees are included in one rule.

WAC 230-02-202 was amended to provide a variance for bingo operators who may exceed their license class.

**WAC 230-04-198**  
**Refund of overpayment of license fees.**

In October 1998 licensing fees were reduced. This rule was needed to issue refunds to licensees who had submitted licensing fees in excess of the new fee amounts. All refunds have been issued and this rule is now obsolete.

**These rules were discussed at the October and December meetings. They are up for Final Action at the January 2000 meeting. If passed, we anticipate they will become effective July 1, 2000.**

**Gambling Service Suppliers**

**WAC 230-02-205**  
**Gambling service supplier defined.**

**WAC 230-04-119**  
**Licensing of gambling service suppliers.**

In the past, it has been unclear whether a business that assembles and supplies gambling components to licensed manufacturers should be licensed as a gambling service supplier or a manufacturer. This change clarifies that these businesses shall be licensed as a gambling service supplier.

Furthermore, dealer schools shall now be licensed as a gambling service supplier and the trainers licensed as a gambling service supplier representative.

(Continued on page 15)

*(Continued from page 14)*

**At the December meeting, the Commission authorized the following rules to be filed. They are Up for Further Discussion at the January 2000 meeting, and will be Up for Final Action at the February meeting. If passed, we anticipate they will become effective July 1, 2000.**

### **Bingo Rules**

#### **WAC 230-02-108**

##### **Gambling proceeds defined.**

Gambling proceeds are defined as gambling income less prizes paid and expenses. Currently, operators may only deduct expenses that are required in order to operate the gambling activity.

Language has been amended to reduce the restrictions on what types of expenses can be deducted from gambling income. In addition to expenses that are required to operate the gambling activity, operators will now be able to deduct expenses that directly or indirectly relate to the gambling activity, such as rental of a bingo hall or retail sales items.

#### **WAC 230-02-123**

##### **Charitable or nonprofit organizations – Net returned defined.**

Language was added to clarify that income from the rental of a gaming facility may be applied toward an organization's net return.

#### **WAC 230-02-183**

##### **Active member defined.**

Currently, to qualify as an active member of an organization, an individual must live in Washington State or within one hundred miles of an organization's main office. The number of meetings a person must attend to remain an active member is not addressed.

Language was added to clarify that members who attend 75 percent of an organization's meetings will be considered active members. This will allow all members, including those who live out of state, to miss one or two meetings, while still maintaining their active member status.

#### **WAC 230-04-330**

##### **Change of Management.**

Charitable/nonprofit organizations are required to notify the commission of changes made to its management, officers or directors when its license is up for renewal or when it applies for an additional license. However, all other licensees are required to notify the commission within thirty days of any changes to their management.

Language exempting nonprofit/charitable organizations from the thirty-day notification requirement has been removed. This will ensure the commission receives timely background information on nonprofit officers and managers who have custody of an organization's assets.

#### **WAC 230-08-080**

##### **Daily records – Bingo.**

Language was amended so that bingo operators will no longer be required to record the time player attendance is taken and include that as a part of the attendance record.

Under current rules, operators are required to store bingo records for three years. These records are voluminous and require a large amount of storage space. Language was amended to reduce the length of time records must be stored from three years to 24 months; however, each session summary will still be kept for three years.

#### **WAC 230-08-100**

**\*\*\*REPEALED\*\*\***

##### **Political contributions of licensees to be reported.**

This rule requires licensees to report all political contributions. Operators are already required to report political contribution information annually to the Public Disclosure Commission. Because this information is available through the Public Disclosure Commission, this requirement is duplicative and this rule should be repealed.

#### **WAC 230-08-105**

##### **Disposable bingo cards – Inventory control record.**

*(Continued on page 16)*

*(Continued from page 15)*

As a result of modern technology, electronically generated formats for inventory control have emerged. Language has been added to include electronically generated inventory records as authorized inventory control formats.

**WAC 230-12-050**

**Extension of credit, loans, or gifts prohibited – Limited exception.**

This rule was amended to allow bingo operators to provide free or discounted food and non-alcoholic beverages to their players.

**WAC 230-12-078**

**Bona fide charitable or nonprofit organizations – Responsibilities – Independent management control structure required.**

A housekeeping change has been made so that this rule is consistent with the requirements set forth in WAC 230-12-076 and WAC 230-04-040 regarding group assignments and responsibilities.

**WAC 230-20-110**

**Prohibited practices.**

Minimum net return requirements are set forth in WAC 230-20-059. Therefore, subsection ( 1 )( c ) has been removed as it is already addressed in WAC 230-20-059.

**WAC 230-20-120 \*\*\* REPEALED\*\*\***

**No free food or beverages to be provided at bingo games – Exceptions.**

This rule restricts bingo operators from giving away free or discounted food or drinks to players during bingo sessions.

Language has been added to WAC 230-12-050 (above) to allow bingo operators to offer free and discounted food and non-alcoholic beverages to their players. Therefore, this rule would no longer be valid.

**WAC 230-20-220**

**Operators shall not play.**

This rule was amended to remove some extraneous language and to clarify that individuals who operate bingo games at agricultural fairs may participate in bingo games at the agricultural fairs.

**WAC 230-20-243**

**Hidden face bingo games.**

Currently, instant winner games are allowed following individual approval from commission staff. Language was added to clarify that instant winner games are allowed when operated under the conditions set forth in 230-20-241.

**WAC 230-20-244**

**Electronic bingo card daubers – Definition – Operating restriction – Standards.**

This rule is not clear regarding the number of bingo cards a bingo player can play during each session. Therefore, language was added to clarify that bingo players can play a maximum of 66 electronic bingo cards, in addition to as many paper bingo cards as they choose.

**Correction to previous newsletter**

Through an oversight by the Code Reviser's office, an incorrect version of the RCW reducing the bingo and raffle tax was included in the last newsletter. That version indicated the tax to be 10%, when it was actually reduced to 5%. We regret the error and are including the corrected version in this edition. ♣



## NO FEE BINGO NOW “OFFICIALLY” APPROVED

As you may have noted in the rule changes portion of the newsletter, the conduct of no-fee bingo will now be regulated by a new WAC rule (230-46-045) as an approved type of promotional contest of chance. This game, also known as bar bingo or bacon bingo, has recently been found to be a popular method to promote businesses. Several licensees testified positively regarding conduct of the games during the several months that the Commissioners considered this rule.

If you are considering operating a no-fee bingo game, you should become familiar with these basic requirements:

- ◆ There may be NO direct or indirect fee paid by the participants for the opportunity to participate in the games. Indirect fees would include charging a cover charge or fee to enter the premises.
- ◆ The games may not be conducted for more than three (3) hours per day and not more than two (2) times per week. Participants must receive their cards immediately prior to the start of each game.
- ◆ Prizes may only be merchandise, not cash. Single prizes must have a value of less than \$25. If several prizes are awarded on the two days per week that the games may be conducted, the total value of all prizes awarded during that week may not exceed \$100. There is also a \$5,000 limit on prizes awarded

during the year.

- ◆ Operators conducting the games must record the names of winners and a description of the prize won for each game.
- ◆ Only the bingo cards set aside for recreational or noncommercial uses may be used as set forth in WAC 230-20-192 (6)(a)(iii). (NOTE: This does not authorize use of hard cards as requested recently by one licensee).

Promotional Contests of Chance are generally authorized in RCW 9.46.0355. They are defined further in WAC 230-46-020 (2) as “a scheme designed to promote a specific business, product(s), or service, and not the scheme itself, in which a person, association, or an organization may distribute money or property among individuals who have agreed to participate in a contest of chance equally with other participants...”

The Commissioners also considered several rules that would further have defined the types of entry authorized in the statute. They chose not to act on those proposed rules, at least in part because a licensee, Washington Gaming Consultants, is working with members of the Legislature to introduce legislation on this subject during the next session. ♣



## Mandatory Training – First Quarter 2000

### Northwest Region (425) 776-6751, Ext. 221

Date / Location	Time	Class Title
<b>Jan. 6, Feb. 10, Mar. 9</b> Renton Community Center 1715 Maple Valley Hwy. Renton, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:00 am – 12:00 pm</u>	<u>Punch Boards / Pull-Tabs</u>
<b>Jan. 18, Feb. 17, Mar. 21</b> Shoreline Senior Center 18560 1st Avenue NE Shoreline, WA 98155	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:00 am – 12:00 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 1:45 pm</u>	<u>Raffles (<b>Feb. 17 ONLY</b>)</u>
	<u>2:00 pm – 4:00 pm</u>	<u>Bingo (<b>Feb. 17 ONLY</b>)</u>

### Eastern Region (509) 456-3167, Ext. 228

Date/Location	Time	Class Title
<b>Jan. 4, Feb. 8, Mar. 7</b> Gambling Commission Office N. 901 Monroe, Suite 240 Spokane, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards/ Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:00 pm – 3:45 pm</u>	<u>Raffles (<b>Feb. 8 ONLY</b>)</u>
<b>Jan. 19, Mar. 22</b> Department of Transportation 900 E. Selah Road Yakima, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:00 pm – 3:45 pm</u>	<u>Raffles</u>
<b>Feb. 15</b> P.U.D. Building Hwy. 395 and 10th Avenue Kennewick, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:00 pm – 3:45 pm</u>	<u>Raffles</u>

### Southwest Region (253) 471-5312, Ext. 221

Date / Location	Date/Time	Class Title
<b>Jan. 5, Feb. 9, Mar. 8</b> South Park Community Center 4851 S. Tacoma Way Tacoma, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo (<b>Jan. 5 &amp; Mar. 8 ONLY</b>)</u>
	<u>3:15 pm – 4:00 pm</u>	<u>Raffles (<b>Jan. 5 &amp; Mar. 8 ONLY</b>)</u>
<b>Mar. 7</b> Double Tree Hotel Exit 39 off I-5 510 Kelso Drive Kelso, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:15 pm – 4:00 pm</u>	<u>Raffles</u>

**Commercial Amusement Games – Class B and Above:** Call your local Regional office regarding Mandatory Training scheduling.

# Rules Note...



**Attached to this newsletter  
are the rules passed at the  
Nov/Dec Commission meeting  
along with the corrected version of the RCW.**

**Please remove the rules from  
the newsletter and place them  
into the appropriate section  
of your rules manual  
as required by WAC 230-12-080.**

**RCW 9.46.110**

**Taxation of gambling activities -- Limitations -- Restrictions on punch boards and pull-tabs -- Lien. (Effective January 1, 2000.)**

(1) The legislative authority of any county, city-county, city, or town, by local law and ordinance, and in accordance with the provisions of this chapter and rules adopted under this chapter, may provide for the taxing of any gambling activity authorized by this chapter within its jurisdiction, the tax receipts to go to the county, city-county, city, or town so taxing the activity. Any such tax imposed by a county alone shall not apply to any gambling activity within a city or town located in the county but the tax rate established by a county, if any, shall constitute the tax rate throughout the unincorporated areas of such county.

(2) The operation of punch boards and pull-tabs are subject to the following conditions:

- (a) Chances may only be sold to adults;
- (b) The price of a single chance may not exceed one dollar;
- (c) No punch board or pull-tab license may award as a prize upon a winning number or symbol being drawn the opportunity of taking a chance upon any other punch board or pull-tab;
- (d) All prizes available to be won must be described on an information flare. All merchandise prizes must be on display within the immediate area of the premises in which any such punch board or pull-tab is located. Upon a winning number or symbol being drawn, a merchandise prize must be immediately removed from the display and awarded to the winner. All references to cash or merchandise prizes, with a value over twenty dollars, must be removed immediately from the information flare when won, or such omission shall be deemed a fraud for the purposes of this chapter; and
- (e) When any person wins money or merchandise from any punch board or pull-tab over an amount determined by the commission, every licensee shall keep a public record of the award for at least ninety days containing such information as the commission shall deem necessary.

(3)(a) Taxation of bingo and raffles shall never be in an amount greater than five percent of the gross receipts from a bingo game or raffle less the amount awarded as cash or merchandise prizes.

(b) Taxation of amusement games shall only be in an amount sufficient to pay the actual costs of enforcement of the provisions of this chapter by the county, city or town law enforcement agency and in no event shall such taxation exceed two percent of the gross receipts from the amusement game less the amount awarded as prizes.

(c) No tax shall be imposed under the authority of this chapter on bingo or amusement games when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization as defined in this chapter, which organization has no

paid operating or management personnel and has gross receipts from bingo or amusement games, or a combination thereof, not exceeding five thousand dollars per year, less the amount awarded as cash or merchandise prizes.

(d) No tax shall be imposed on the first ten thousand dollars of gross receipts less the amount awarded as cash or merchandise prizes from raffles conducted by any bona fide charitable or non-profit organization as defined in this chapter.

(e) Taxation of punch boards and pull-tabs for bona fide charitable or nonprofit organizations is based on gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes, and shall not exceed a rate of ten percent. At the option of the county, city-county, city, or town, the taxation of punch boards and pull-tabs for commercial stimulant operators may be based on gross receipts from the operation of the games, and may not exceed a rate of five percent, or may be based on gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes, and may not exceed a rate of ten percent.

(f) Taxation of social card games may not exceed twenty percent of the gross revenue from such games.

(4) Taxes imposed under this chapter become a lien upon personal and real property used in the gambling activity in the same manner as provided for under RCW 84.60.010. The lien shall attach on the date the tax becomes due and shall relate back and have priority against real and personal property to the same extent as ad valorem taxes.

[1999 c 221 § 1; 1997 c 394 § 4; 1994 c 301 § 2; 1991 c 161 § 1; 1987 c 4 § 39. Prior: 1985 c 468 § 2; 1985 c 172 § 1; 1981 c 139 § 8; 1977 ex.s. c 198 § 1; 1974 ex.s. c 155 § 8; 1974 ex.s. c 135 § 8; 1973 1st ex.s. c 218 § 11.]

**NOTES:**

**Effective date -- 1999 c 221:** "This act takes effect January 1, 2000." [1999 c 221 § 2.]

**Severability -- 1981 c 139:** See note following RCW 9.46.070.

**Severability -- 1974 ex.s. c 155:** See note following RCW 9.46.010.









Administrative Order #377      Effective Date 12/31/99

Administrative Order #377      Effective Date 12/31/99







Administrative Order #377      Effective Date 12/31/99









## **Administrative Order #377 Effective Date 12/31/99**

### REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-04-198                      Reduction of license fees.

### REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-04-206                      Fees--Linked bingo prize providers  
and linked bingo prize provider  
representatives.

## **Administrative Order #379 Effective Date 01/01/00**

### REPEALER

**The following section of the Washington Administrative Code is repealed:**

WAC 230-20-210                      Age limit for bingo.



AMENDATORY SECTION (Amending Order 362, filed 9/23/98, effective 1/1/99)

**WAC 230-04-133 Punch board and pull-tab service business--Registration required--Procedures--Restrictions.** It is in the public's interest to closely control gambling devices and records relating to the operation of a gambling activity. The commission must identify all individuals and businesses that have control over gambling devices, including punch boards and pull-tabs, and all records relating to the operation of gambling activities. Businesses that provide punch board and pull-tab record services, as defined by WAC 230-02-208, shall register with the commission and receive a permit prior to providing services to a licensee. The following procedures and restrictions apply to punch board and pull-tab service businesses:

(1) Each business seeking to register as a punch board and pull-tab service business shall submit a permit application on a form provided by the commission. Such application shall be complete in every respect, accompanied by proper fees, and signed by the applicant. The application shall include at least the following:

(a) A complete description of the services provided; and

(b) Personal and criminal history forms for all individuals involved in providing services.

((2) Permit fees as follows:

(a) Initial application for a business (includes up to two associates)= \$200;

Note: When the business includes three or more individuals that are directly involved in providing record services, all additional individuals must register as associates to the business. Personnel that perform duties that are not directly involved in preparing records, such as security, pick-up and delivery, or general office duties, are not required to register.

(b) Initial application - For each additional associate=\$125; and

(c) Annual renewal - Business and associates= \$50.

((3)) (2) The permit shall be valid for a period not to exceed one year from the date approved.

((4)) (3) Any changes in information provided with the application must be submitted to the commission within thirty days of change.

((5)) (4) The permit becomes void and the business must apply for a gambling service supplier license to continue providing services if any of the conditions listed below occur:

(a) The nature of the business being provided changes to include services defined in WAC 230-02-205(1); or

(b) The combined total gross billings from providing services exceeds twenty thousand dollars during the permit period.

((6)) (5) The permit may be revoked by the director at any

time for the following reasons:

- (a) Reasons set forth in WAC 230-04-400 or RCW 9.46.075; or
- (b) The permit holder has acted with gross negligence or intentionally misstated or manipulated a licensee's records or punch board/pull-tab games; or
- (c) Failure to produce an operator's record or copies thereof, or punch board or pull-tab games when requested by a commission agent.

((7)) (6) Immediately upon request, a punch board and pull-tab service business shall provide the commission or any of its representatives a complete list of customers and the location where records of each are maintained.

((8)) (7) If a punch board and pull-tab service business or associate of such business has any interest in a licensed manufacturer or distributor, they shall inform the commission, any operator to which they provide services, and the manufacturer or distributor of the relationship. The director may restrict the manufacturer or distributor from selling punch boards or pull-tabs to such operator.

((9)) (8) Punch board and pull-tab service business permit holders shall follow the records requirements of WAC 230-08-026 (1)(a), (c), (d), (2), and (3). In addition, such businesses shall be familiar with minimum recordkeeping requirements and availability of records for services they provide, including but not limited to WAC 230-08-010, 230-12-010 and 230-30-072.

AMENDATORY SECTION (Amending WSR 97-19-079, filed 9/16/97, effective 1/1/98)

**WAC 230-20-192 Standards for disposable bingo cards--Requirements and definitions.** Disposable bingo cards sold for use in the state of Washington shall be manufactured and controlled using processes and procedures that ensure integrity of the activity and facilitates regulation by the commission.

**Requirements for manufacturers of disposable bingo cards** ((shall comply with the following requirements:)).

(1) Manufacturers shall establish quality control procedures necessary to ensure manufacturing processes, including collating of cards into packs or packets, meet the requirements of this section. Quality control procedures shall be documented and provided to commission staff upon request((;)).

**Definitions.**

(2) For purposes of this title, the following definitions apply:

(a) "Card" or "face" means a unique group and configuration of numbers or symbols imprinted on paper, cardboard, or other materials, and designed to be used to conduct bingo games;

(b) "Card number" means the number assigned by the manufacturer to identify a single card or face. A "card number" may also be referred to as a "face" or "perm" number;

(c) "Collate" means the process of cutting and/or assembling master sheets or precut sheets of cards from one or more sets of cards into packets or books for marketing purposes. "Collate" may also be referred to as "finish" or "finishing";

(d) "Collation" means a group of packets or books of cards assembled from more than one set of cards;

(e) "Consecutively numbered" means a numbering system normally beginning with the number one, increased by one for each individual unit added to the group, and ending with a number identical to the total number of units assigned to that group;

(f) "Cut" means the layout or orientation of cards or sheets of cards subdivided from a master sheet of cards or faces. A "cut" will be either square, horizontal, or vertical;

(g) "Disposable bingo card" means a nonreusable paper bingo card manufactured by a licensed manufacturer;

(h) "Duplicate cards" means two or more cards that are imprinted with the same numbers or symbols, regardless of the configuration or location of such numbers or symbols on the card;

(i) "On" means the number of cards or faces imprinted on a sheet or "cut." The term is normally preceded by the number of

cards;

(j) "Pack" or "packet" means a group of cards or sheets of cards collated into a book when each page or sheet in the book is intended for use to play a separate bingo game, including "on-the-way" games, within a session;

(k) "Product line" means a specific type of card, identifiable by features or characteristics that are unique when compared to other types of cards marketed by the manufacturer. A "product line" includes all series and all cards within each series as identified by the manufacturer;

(l) "Serial number" means a number assigned to a set of cards by a manufacturer for identification and tracking purposes when the same number is not used to identify another set of cards from the same product line, color, border pattern, and series in less than 999,999 occurrences or twelve months, whichever occurs first: Provided, That if the product line is used as a determining factor for assignment of a serial number, the difference between various product lines must be readily identifiable by observation;

(m) "Series" of cards means a specific group of cards or faces that have been assigned consecutive card or face numbers by a manufacturer. Series are typically identified by the first and last card number in the group of cards, such as "1 to 9000 series";

(n) "Set" of cards means a specific group of cards from the same product line, which are the same color, border pattern, and imprinted with the same serial number. A "set" of cards may include more than one series of cards or faces;

(o) "Sheet number" means the number assigned by the manufacturer to identify an arrangement of more than one card that results from dividing master sheets of cards to facilitate marketing;

(p) "Skip" means the standard spread or difference between card or sheet numbers at different page levels in packs or packets;

(q) "Subset" means a portion of a set of cards or collation of packets that has been divided by a licensed distributor to facilitate marketing; and

(r) "Up" means the number of pages or sheets collated into each packet or book of cards. The term is normally preceded by the number of pages or sheets.

**Duplicate disposable bingo cards.**

(3) Each card or face in a particular type or product line must be imprinted with a unique set of numbers or symbols and configuration of numbers or symbols. Duplicate cards within a



specific product line are prohibited. Manufacturers of disposable bingo cards are responsible for ensuring that there are no duplicate cards in a set or collation of cards sold to distributors or operators: Provided, That duplicate cards can be collated into packets if they are located at different page levels in the packets and intended only for use during separate games, including "on-the-way" games, within a session. If a manufacturer discovers a duplicate card error or is notified of such by the commission staff or a licensee, it shall immediately comply with the following steps:

(a) Stop marketing the product line containing duplicate cards in Washington;

(b) Recall all sets of cards and/or collations of packets or books containing duplicate cards at the same page level;

(c) Take steps to correct manufacturing or collating processes necessary to ensure duplicate cards are not sold to operators, and inform the commission in writing regarding steps taken;

(d) Reimburse all operators who submit a claim for prizes paid as a result of selling sets or collations containing duplicate cards when such claim has been validated by commission staff; and

(e) Reimburse the commission for all cost incurred investigating duplicate card complaints that result in findings that the error was caused by manufacturers.

**Collating disposable bingo cards.**

(4) Packets of cards must be collated so that each page of the packet:

(a) Is from a different set of cards;

(b) Has skips that are consistent throughout the entire collation and contains cards that are different when compared to other cards or faces in the pack or packet; and

(c) Has a different color or border pattern.

**Audit system to identify each set of disposable bingo cards.**

(5) Each set must include an audit system that allows identification of that specific set and each specific card within that set, allows tracking of the transfer of cards from the point of manufacture to operators, and facilitates sale by the operator to the player: Provided, That audit systems that accomplish regulatory requirements using alternative controls may be approved by the commission staff. The audit system shall meet the following requirements:

(a) Each set of cards manufactured as a specific product line, using the same color and border pattern, will be assigned

a unique serial number by the manufacturer. The serial number must be imprinted on each card or face;

(b) Each card or face must be identified by a card number imprinted on the face of the card: Provided, That cards used in "player selection" games, authorized by WAC 230-20-241 and "keno bingo" games, authorized by WAC 230-20-247, are exempted from this requirement; and

(c) Each sheet of cards within a set must be consecutively numbered: Provided, That sheets of cards do not have to be numbered if alternative audit controls are available and disclosed to the operator.

**Sale of disposable bingo cards.**

(6) Each set of cards or collation of packets of cards shall be sold intact as a single unit: Provided, That for ease of marketing to Class E and below operators and to operators of authorized unlicensed activities, distributors may divide sets or collations as authorized below:

(a) Cartons or packages assembled by manufacturers can not be opened prior to sale to an operator, except that distributors may open cartons or packages as authorized below:

(i) At an operator's request to change the "on," "up," and "cut." When such modification is made, the distributor shall be responsible for resealing the carton and noting all changes on the packing label;

(ii) To provide cards to Class A or B bingo games and for unlicensed activities authorized by RCW 9.46.0321 or 9.46.0355; ((and))

(iii) To provide cards to individuals for ((noncommercial)) recreational activities; and

(iv) To provide cards to businesses for use in promotional contests of chance as authorized by RCW 9.46.0355.

(b) Subsets must contain at least one carton or package: Provided, That cartons or packages may be broken and cards sold in smaller quantities under conditions described in subsection (6)(a)(i) and (ii) of this section; and

(c) Subsets of cards used for "hidden face" bingo games must contain at least one thousand cards or sheets of cards.

**"Hidden face" disposable bingo cards.**

(7) In addition to the requirements of subsections (1) through (6) of this section, cards sold to operators for use in the operation of "hidden face" bingo games, authorized by WAC 230-20-243, must meet the following requirements:

(a) Each card or sheet of cards must be printed, folded, and sealed in a manner that prohibits determination of numbers or

symbols, configurations of such on the card, or the card number prior to opening by the player;

(b) Each card or sheet of cards must have a separate numbering system that is randomly distributed when compared to the card number imprinted in the "free" space. Manufacturers must utilize procedures that mix cards or sheets of cards in a manner that ensures no consistent relationship exists between the "card numbers" and separate numbering system within a set or subset and that there are no patterns or consistent relationships of the location of a specific card number between subsets from different sets;

(c) The serial number and the additional card or sheet number, required by (b) of this subsection, must be imprinted on the outside of the cards or sheets of cards and visible for recording without opening the card or sheet of cards; and

(d) Each set of cards must contain at least six thousand unique faces or patterns of numbers or symbols.

**"Player selection" disposable bingo cards.**

(8) In addition to the requirements of subsections (1) through (6) of this section, cards sold to operators for use in "player selection" bingo games, authorized by WAC 230-20-241, must be printed on two-part, self-duplicating paper that provides an original and duplicate copy((;)).

**Packing slip requirements.**

(9) A packing record must be completed for each set of cards or collation of packets and either enclosed inside or in an envelope attached to the carton or package. If the marketing unit contains more than one carton or package, the packing record must be located on carton or package number one. The packing record must include at least the following:

(a) Name of manufacturer;

(b) Description of product, including the "series," "on," "cut," and "up";

(c) Records entry labels that match the identification and inspection services stamp attached to the packing label on the outside of the carton or package;

(d) Serial number or, if packets, serial number of the top page;

(e) Color and border pattern or, if packets, colors and border patterns of all sets and the sequence they are collated in the packet; and

(f) A record of any missing cards, sheets of cards, or packets.

**Labeling requirements.**

(10) Each separate packing or marketing unit containing a set of cards or collation of packets of cards must be identified in a manner that allows determination of the contents without opening the package. If the marketing unit contains more than one case or carton, each unit shall be labeled and numbered. Minimum information to be disclosed on each carton or package:

- (a) The identification and inspection services stamp number;
- (b) Serial number or, if packets, serial number of the top page;
- (c) Color and border pattern or, if packets, color and border pattern of the top page; and
- (d) Number of the carton and the total number of cartons included in the marketing unit.

**Quality control.**

(11) Sets of cards, collations of packets, or any other marketing units established by a manufacturer shall be complete and contain the correct number of cards or packets and the specific cards or packets noted on the packing slip: Provided, That up to one percent of the cards in the set may be missing if all missing cards, sheets, or packets are documented on the packing record enclosed in carton or package number one of the marketing unit((; and)).\_

**Winning card verification system.**

(12) To provide the commission and operators the ability to verify the authenticity of winning cards, each manufacturer shall prepare and make available a master verification system for each type or product line of cards it manufactures. This master verification system shall provide a facsimile of each card within a set of cards by the card number. The master verification system shall display the exact numbers or symbols and the location or configuration of numbers or symbols on the card.

NEW SECTION

**WAC 230-46-045 Promotional contests of chance similar to bingo--"No fee bingo."** Promotional contests of chance, which are similar to bingo and are commonly referred to as "no fee bingo," may be conducted in limited circumstances if all of the following conditions are met:

**Entry fees not allowed.**

(1) Participants may not be charged a direct or indirect fee to participate in the game. Indirect fees include, but are not limited to, cover charges and other similar fees;

**Limit on value of prizes.**

(2) Prizes may only involve merchandise items such as food, nonalcoholic beverages, hats, shirts, or other promotional items valued at less than twenty-five dollars each. No cash prizes may be substituted for merchandise prizes. Prizes cannot exceed one hundred dollars per week, or five thousand dollars per year. Operators shall record the names of winners and prize(s) won for each game;

**Bingo cards.**

(3) Bingo cards used must be of the type set aside for recreational or noncommercial uses as described in WAC 230-20-192 (6)(a)(iii); and

**Contest time limit.**

(4) The contest shall not be conducted for more than a total of three hours per day, twice per week. Participants shall receive a bingo card immediately prior to the start of each game.



NEW SECTION

**WAC 230-12-027 Age limit to participate in gambling activities--Bingo advertisements directed to minors.**

**Minors shall not participate in gambling activities.**

(1) Persons under the age of eighteen shall not wager in, nor participate in the operation of any gambling activity. Exceptions to this restriction are set forth in subsection (2) of this section:

**Exceptions for minors to participate in gambling activities.**

(2) Persons under the age of eighteen may:

(a) Play in licensed bingo games if accompanied by an adult member of his/her immediate family or a guardian, who is at least eighteen years old. For purposes of this section, "immediate family" means and is limited to, the spouse, parents, or grandparents of an individual. "Guardian" means and is limited to an individual appointed by a court of law as the legal guardian of an individual;

(b) Play bingo at agricultural fairs or school carnivals;

(c) Play amusement games, pursuant to the provisions set forth in RCW 9.46.0331 (4) and (5); and

(d) Sell raffle tickets, pursuant to the provisions set forth in WAC 230-02-183.

**Bingo advertisements directed to minors.**

(3) All bingo advertisements that are directed to minors shall include language indicating that all minors must be accompanied by a member of their immediate family or a guardian, who is at least eighteen years old.

**Enforcement of age restrictions.**

(4) The licensee and those persons operating gambling activities are responsible for assuring that persons under the age of eighteen are not playing in or participating in the operation of any gambling activity.





AMENDATORY SECTION (Amending Order 243, filed 8/17/93, effective 1/1/94)

**WAC 230-12-030 No beer, wine or ((liquor)) spirits as prizes.** ((No beverages containing))

**Alcohol shall not be offered as a prize.**

(1) Pursuant to the restrictions of the liquor control board, beverages that contain alcohol, including but not limited to ((,)) beer, wine or ((liquor,)) spirits, shall not be offered or awarded as a prize or in lieu of a prize for winning at any ((of the activities authorized by chapter 9.46 RCW: Provided, That this section does not apply to activities that are)) gambling activity. Exceptions to this restriction are set forth in subsection (2) of this section.

**Exceptions for alcohol to be offered as a prize.**

(2) Alcohol may be offered and awarded as a prize in:

(a) Dice or coin contests for music, food, or beverage payment as authorized by RCW 9.46.0305 (Dice or coin contests for music, food, or beverage payment)((, and));

(b) Unlicensed members-only raffles as authorized by RCW 9.46.0315 (Raffles--No license required, when) ((conducted by bona fide charitable or bona fide nonprofit organizations. No such alcoholic beverages shall be furnished to any person participating in the activity by anyone except upon the participant paying the market price therefor. If liquor is offered for sale upon the premises where an authorized activity is being conducted then no one under the age of eighteen years shall be admitted to that portion of the premises used to conduct the authorized activity. The licensee and each person conducting the activity and each person physically operating the activity shall be responsible to see that no unauthorized person is admitted to that portion of the premises)), but only if the appropriate permit has been granted by the liquor control board; and

(c) Other gambling activities that the liquor control board has authorized alcohol to be given away.





## Operational Questions/Regional Offices

**Lynnwood** (425) 776-6751

**Tacoma** (253) 471-5312

**Spokane** (509) 456-3167

**Bellingham** (360) 738-6203

**Yakima** (509) 575-2820

**Wenatchee** (509) 662-0435

### Headquarters

**Lacey (800) 345-2529 or (360) 438-7654**

### Extension Numbers

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\* Call the closest regional office listed above

**Washington State Council on Problem Gambling  
(800) 547-6133**

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